

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,	:	PROMESA
	:	Title III
as representative of	:	Case No. 17-BK-3283 (LTS)
THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i> ,	:	(Jointly Administered)
Debtors. ¹	:	

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**RESERVATION OF RIGHTS OF OFFICIAL COMMITTEE OF UNSECURED
CREDITORS REGARDING REVISED PROPOSED ORDER AND JUDGMENT
CONFIRMING MODIFIED EIGHTH AMENDED TITLE III JOINT PLAN OF
ADJUSTMENT OF COMMONWEALTH OF PUERTO RICO, ET AL.**

To the Honorable United States District Judge Laura Taylor Swain:

The Official Committee of Unsecured Creditors (the “Committee”)² respectfully files this reservation of rights (the “Reservation of Rights”) regarding the *Revised Proposed Order and Judgment Confirming Modified Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* [Docket No. 19188] (the “Proposed Confirmation Order”).³

In support of this Reservation of Rights, the Committee respectfully states as follows:

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5233 (LTS)) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² The Committee is the official committee of unsecured creditors for all Title III Debtors, other than PBA and COFINA.

³ Capitalized terms used but not defined herein have the meanings set forth in the Proposed Confirmation Order.

RESERVATION OF RIGHTS

1. As the Court is aware, the Committee has reached a global agreement with the Oversight Board regarding, among other things, the terms of the treatment of general unsecured claims in Classes 54 (Eminent Domain Claims), 58 (CW General Unsecured Claims), 66 (ERS General Unsecured Claims), and Class 68 (Convenience Claims) (together, “General Unsecured Claims”), which agreement is reflected in that certain letter agreement, dated as of July 12, 2021, between the Committee and the Oversight Board (the “Committee Agreement”). The *Modified Eighth Amended Joint Plan of Adjustment of the Commonwealth of Puerto Rico*, et al., dated November 12, 2021 [Docket No. 19184] (the “Eighth Amended Plan”) reflects the terms of the Committee Agreement, and, as such, the Committee supports confirmation of the Eighth Amended Plan.

2. Moreover, the Committee has made substantial progress with the Oversight Board regarding the terms of certain documents that are subject to the Committee’s reasonable consent rights under the Eighth Amended Plan, including the Proposed Confirmation Order. Indeed, at this time, the Committee has no further comments with respect to the Proposed Confirmation Order itself. Similarly, the Oversight Board and the Committee have resolved virtually all issues with respect to the Avoidance Actions Trust Agreement, although, at this time, one issue remains outstanding.

3. The Committee has also provided counsel for the Oversight Board informal comments with respect to the *Proposed Findings of Fact and Conclusions of Law in Connection with Confirmation of the Seventh Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico*, et al. [Docket No. 18739] (the “Proposed Findings of Fact and Conclusions of Law”). The Committee expects that these comments will be consensually resolved before the conclusion of the Confirmation Hearing or, at the latest, at the time that the

Oversight Board is required to submit its amended Proposed Findings of Fact and Conclusions of Law.

4. However, in light of the Court's November 15, 2021 deadline to object to the Proposed Confirmation Order (which deadline could be read to extend to the Plan Supplement and the Proposed Findings of Facts and Conclusions of Law),⁴ and given that a handful of the Committee's comments with respect to the Avoidance Actions Trust Agreement and the Proposed Findings of Fact and Conclusions of Law remain outstanding, the Committee files this Reservation of Rights.

5. In particular, the Committee reserves its right to be heard at the Confirmation Hearing to the extent that (a) any amendments or modifications are made to the Eighth Amended Plan or the Proposed Confirmation Order that would adversely affect the economic treatment of, or distributions to, holders of General Unsecured Claims, compared to the treatment of General Unsecured Claims currently set forth in the Eighth Amended Plan,⁵ (b) any documents are not reasonably acceptable to the Committee (to the extent of the Committee's consent rights under the Eighth Amended Plan), (c) any condition to confirmation of the Eighth Amended Plan or the Effective Date of the Eighth Amended Plan is waived without the prior written consent of the Committee (again, to the extent of the Committee's consent rights under the Eighth Amended Plan), or (d) any other consents of the Committee (to the extent required under the Eighth

⁴ The Proposed Confirmation Order would approve the Plan Supplement, including the Avoidance Actions Trust Agreement and, moreover, provides that the Proposed Findings of Fact and Conclusions of Law are incorporated in the Proposed Confirmation Order "as though set forth in full." On the other hand, the deadline for the Oversight Board to submit its amended Proposed Findings of Fact and Conclusions of Law is not until 48 hours following the conclusion of the Confirmation Hearing.

⁵ To be clear, at this time, the Committee is not aware of any amendments or modifications to the Eighth Amended Plan that would adversely affect the economic treatment of, or distributions to, holders of General Unsecured Claims.

Amended Plan) are not obtained, including, without limitation, as it relates to the selection of the entity that will hold the GUC Reserve.⁶

[Remainder of page intentionally left blank.]

⁶ Pursuant to Section 1.284 of the Seventh Amended Plan, the GUC Reserve is to be “held by an independent, non-Commonwealth government entity selected jointly by the Oversight Board and the Creditors’ Committee.”

Dated: November 15, 2021

By: /s/ Luc A. Despins

PAUL HASTINGS LLP
Luc A. Despins, Esq. (*Pro Hac Vice*)
G. Alexander Bongartz, Esq. (*Pro Hac Vice*)
200 Park Avenue
New York, New York 10166
Telephone: (212) 318-6000
lucdespins@paulhastings.com
alexbongartz@paulhastings.com

Counsel to the Official Committee of Unsecured Creditors

By: /s/ Juan J. Casillas Ayala

CASILLAS, SANTIAGO & TORRES LLC
Juan J. Casillas Ayala, Esq. (USDC - PR 218312)
Israel Fernández Rodríguez, Esq. (USDC - PR 225004)
Juan C. Nieves González, Esq. (USDC - PR 231707)
Cristina B. Fernández Niggemann, Esq. (USDC - PR 306008)
PO Box 195075
San Juan, Puerto Rico 00919-5075
Telephone: (787) 523-3434 Fax: (787) 523-3433
jcasillas@cstlawpr.com
ifernandez@cstlawpr.com
jnieves@cstlawpr.com
crernandez@cstlawpr.com

Local Counsel to the Official Committee of Unsecured Creditors